**IN THE GENERAL DIVISION OF**
**THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

**[2026] SGHC 30**

Originating Application No 1224 of 2025

Between

(1) JWT Realty Pte. Ltd.
(2) Leong Lou Teck (S) Pte. Ltd.

… *Claimants*

And

(1) The Pod Pte. Ltd.

… *Defendant*

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# GROUNDS OF DECISION

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[Contract — Interpretation]
[Contract — Implied terms]
[Statutory Interpretation — Construction of statute — Purposive approach]

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# JWT Realty Pte Ltd and another
# v
# The Pod Pte Ltd

**[2026] SGHC 30**

General Division of the High Court — Originating Application No 1224 of 2025
Chan Seng Onn SJ
15 December 2025

6 February 2026

**Chan Seng Onn SJ:**

## Introduction

1 Parliament may, from time to time, impose on landowners certain levies and taxes in relation to the use, development, and improvement of their land. The relevant statutory instruments may designate the landowner as the party *prima facie* liable for such amounts. This does not necessarily mean that a landowner cannot, by agreement, make another responsible for any payments to be made. This was one such matter.

2 The landlords brought an action for damages against their tenant for sums incurred in relation to the Land Betterment Charge ("LBC") administered and collected by the Singapore Land Authority ("SLA"). The landlords also sought a declaration that the applicable tenancy agreements made their tenant liable for the LBC.

3 I allowed the landlords' action for damages. I declined to grant the declaration sought by the landlords. These are the reasons for my decision.

## Facts

### *The parties*

4 The first claimant, JWT Realty Pte. Ltd. ("JWT"), is a Singapore-incorporated company. At the material time, JWT was the registered proprietor of units #03-01, #04-01 and #05-01 of 289 Beach Road.[1]

5 The second claimant, Leong Lou Teck (S) Pte. Ltd. ("LLT") is a Singapore-incorporated company. At the material time, LLT was the registered proprietor of units #03-02 and #05-02 of 289 Beach Road.[2]

6 I refer to JWT and LLT collectively as the "Claimants".

7 The defendant, The Pod Pte. Ltd. ("Defendant") is a Singapore-incorporated company. At the material time, the Defendant was the tenant of units #03-01, #04-01, and #05-01 from JWT, and of units #03-02 and #05-02 from LLT. I refer to these units collectively as the "Leased Units". The Defendant operated a backpacker's hostel from the Leased Units.[3]

### *Background to the dispute*

8 The Defendant first became a tenant of JWT pursuant to a lease dated 14 November 2012. The Defendant first became a tenant of LLT pursuant to a

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1 Affidavit of Leong Siew Khuan dated 29 October 2025 ("LSK's Affidavit") at para 5.

2 LSK's Affidavit at para 6.

3 LSK's Affidavit at paras 7-8; Affidavit of Paul Cummins dated 21 November 2025 ("PC's Affidavit") at para 6.



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lease dated 1 April 2016.[4] In mid-2023, the Defendant renewed the leases for the Leased Units for a period of 5 years commencing 1 July 2023.[5] The tenancy agreements were, for the purposes of this dispute, substantially the same.

9 From the commencement of its tenancies with the Claimants, the Defendant had applied for and obtained a temporary grant of permission from the Urban Redevelopment Authority ("URA") to use the Leased Units as a backpackers' hostel. The Defendant had similarly applied for and obtained from the Hotel Licensing Board ("HLB") a licence to operate the hostel. The permission and licence were granted and renewed every three years.[6] In August 2024, the Defendant applied for a further renewal of permission from the URA. In December 2024, the Defendant was informed that the LBC would be payable in relation to the renewal of permission to operate the hostel.[7] The LBC is a tax imposed in relation to the increase in the value of land where permission has been granted for development.

10 The Claimants and the Defendant disagreed on who should pay the LBC. In February 2025, JWT paid $43,285 and LLT paid $79,616 for a temporary grant of permission for the Leased Units to be operated as a backpackers' hostel, covering a one-year period from November 2024.[8]

11 The payments were, according to the Claimants, a goodwill gesture. To them, they were simply interim payments made on the Defendant's behalf,

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4 LSK's Affidavit at para 8.

5 PC's Affidavit at para 7.

6 PC's Affidavit at paras 8-9.

7 PC's Affidavit at para 10.

8 LSK's Affidavit at paras 37 and 40.



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rather than an acknowledgement that they were liable for payment of the LBC. The Defendant argued that it was not liable for the LBC at all. With the parties unable to come to an agreement, the Claimants commenced the present action.

**The parties' cases**

12 The Claimants primarily argued that the LBC was a cost or expense related to the application for approval from the URA to operate a backpackers' hostel from the Leased Units, which the Defendant was contractually obliged to bear. The Claimants also argued that payment of the LBC was a precondition for receipt of a hotel licence from the HLB. As the Defendant had covenanted to procure approval from the URA, payment of the LBC was the Defendant's responsibility. The Claimants sought damages totalling S$122,901, which represented the amount paid by themselves to the SLA. They also sought a declaration that the Defendant was liable to pay the LBC.

13 The Defendant argued that under the relevant legislation, the Claimants were the default parties liable to pay the LBC. The Defendant also argued that the LBC was not listed in the tenancy agreements as a payment that the Defendant was obliged to make. The Defendant further argued that there had been no agreement or discussion between itself and the Claimants on the payment of LBC. The Defendant brought a counterclaim for:

(a) a declaration that the Claimants were liable to pay the LBC; and

(b) an order that the Claimants pay the LBC amount for the renewal of permission for the Leased Units to be used as a backpackers' hostel for the full three years.



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14 This was because the Claimants had only paid the sums necessary for the grant of permission for one year.

**Issues to be determined**

15 To my mind, there were two broad issues to be decided:

(a) first, whether the Claimants or the Defendant were liable to the SLA to pay the LBC; and

(b) second, assuming that the Claimants were liable to the SLA, whether the Defendant was nonetheless contractually obliged to pay the LBC or otherwise reimburse the Claimants for such.

**The Claimants were liable to the SLA to pay the LBC**

16 In August 2024, the URA wrote to the Defendant's director, one Mr Steven Lee ("Mr Lee"). The letter concerned the Defendant's application for renewal of permission to use the Leased Units as a backpackers' hostel. The letter was addressed to Mr Lee.[9] It stated in relevant part:

> Thank you for your application on 13-08-2024 for the above proposal.
>
> We are consulting Singapore Land Authority (SLA) if the payment of Land Betterment Charge (LBC) is required.
>
> If required, *you* are to pay LBC to SLA for the subject development proposal. In the resubmission, please confirm that *you* have paid LBC and attach SLA's LBC Order and LBC payment receipt. The resubmission will not be accepted if SLA's LBC Order and LBC receipt are not provided.
>
> [emphasis added]

[9] LSK's Affidavit at p 190.



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17 I shall refer to this as the "August Letter". I shall return to the significance (or lack thereof) of this letter below.

18 Mr Lee then approached the Claimants, asking for assistance and clarification on certain matters. The Claimants then signed an assumption of liability form, committing that they would pay to the SLA any amounts due under the LBC.[10]

19 The SLA was empowered to administer and collect the LBC by the Land Betterment Charge Act 2021 ("Act") (Act 11 of 2021). Under s 15(1)(*a*) of the Act, every owner of land is liable to pay the LBC where imposed. Another party may be or become liable pursuant to ss 15(1)(*b*)-(*c*), if the other party gives an assumption of liability notice, or if there has been a deferment of liability. To set out s 15(1) in full:

**Who is liable to pay land betterment charge**

> **15.**—(1) A land betterment charge in respect of a chargeable consent given in relation to a development or subdivision of, or a controlled activity with respect to, any land is payable —
>
> (a) by every person who, when the chargeable consent is given, is an owner of the land;
>
> (b) by every person who gives an assumption of liability notice under section 16 that the person assumes liability to pay the land betterment charge in place of any person in paragraph (a); or
>
> (c) by every transferee to whom a deferred liability to pay the land betterment charge is transferred under section 23.

20 Under s 4(1) of the Act, a person would not be an owner of land unless they had a "material interest" in the land. The meaning of a "material interest" is defined in s 4(2) as follows:

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10 LSK's Affidavit at p 233-237.



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> (2) Subject to subsection (3), a "material interest" in any land means a legal interest in the land which is —
>
> (a) an estate in fee simple;
>
> (b) an estate in perpetuity;
>
> (c) a leasehold estate under a State title of whatever tenure; or
>
> (d) subject to subsection (3), an interest in the land entitling the person to receive rent of the land (whether on the person's own account or as trustee for any other person or as a receiver) —
>
> (i) if the land is let to a tenant for more than 10 years; or
>
> (ii) if the land is in fact let for more than 10 years,
>
> and includes a mortgagee in possession.

21 The parties did not argue that any exceptions to the definition in s 4(2) applied.

22 The starting point in statutory interpretation is s 9A(1) of the Interpretation Act (2020 Rev Ed), which mandated a purposive approach to statutory interpretation. This required me to apply the approach laid down in *Tan Cheng Bock v Attorney-General* [2017] 2 SLR 850 ("*Tan Cheng Bock*") at [37]:

> (a) first, ascertain the possible interpretations of the provision, given its text and its context within the statute;
>
> (b) second, determine the legislative purpose of the statute; and
>
> (c) third, compare the possible interpretations of the text against the purpose of the statute, preferring an interpretation which furthers the purpose.



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23 The Defendant argued that the language of Act made it clear that the Claimants were the parties that were, by default, liable to pay the LBC. The Defendant also argued that it had not given any notice of assumption of responsibility. Instead, it was the Claimants who had given to the SLA an assumption of liability notice, thereby committing themselves to pay the relevant amounts to the SLA.[11]

24 The Claimants did not raise any competing interpretation as to the provisions of the Act. Rather, the Claimants' answer to the Defendant's submission appeared to be that the August Letter was addressed to Mr Lee. The Claimants submitted that at the time of signing the assumption of liability notice, Mr Lee had not informed them of the nature of the said notice. Instead, the Claimants argued that they had agreed to pay the LBC out of "goodwill and common courtesy".[12]

25 Having heard the parties, I was of the view that the Claimants were liable to pay the LBC to the SLA. I did not see any other interpretation of the Act, nor was one proffered by the parties. It was clear from the plain language of s 4(2)(*a*) and s 15(1)(*a*) of the Act that the owner of the fee simple (in this case the Claimants) would be liable to pay the LBC. That being the case, there was no need to consider the second and third stages in *Tan Cheng Bock*.

26 For completeness, I did not consider that the August Letter being addressed to the Defendant's Mr Lee altered this position. In fairness, counsel for the Claimants did not press upon me that the language of the August Letter indicated that the Defendant was liable to pay the LBC. Had they done so, I

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11 Defendant's Written Submissions ("DWS") at paras 3-9.

12 Claimants' Written Submissions ("CWS") at paras 17-21.



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would have found that the URA (and subsequently the SLA) writing to the Defendant, through Mr Lee, was insufficient to support a submission that the statutory position had been departed from such that the Defendant was liable to the SLA to pay the LBC. No explanation was given as to why the URA and SLA wrote to the Defendant, instead of the Claimants. In any event, it was unnecessary for the determination of this dispute.

27 Furthermore, the Claimants' act of giving the assumption of liability notice to the SLA confirmed that they were liable for the LBC to the SLA. Even if I had found that the Defendant was initially liable to the SLA, the Claimants had given the assumption of liability notice to the SLA. I accepted that the SLA had, at least initially, been corresponding with the Defendant on the payment of the LBC. I also accepted that the Defendant might not have been immediately forthcoming on its position that the Claimants were liable to pay the LBC, and instead indicated a lack of knowledge on who was liable to the SLA.[13] Be that as it may, the terms of the assumption of liability notice signed by the Claimants were clear. The explanatory notes appended to the assumption of liability notice indicated that parties who assumed liability under the notice (in this case the Claimants) would be liable to pay any LBC amount.[14] Whatever the motivation behind the Claimants' assumption of liability, the act of giving the assumption of liability notice to the SLA confirmed (were they not already liable) that the Claimants would be liable to pay any LBC amount.

28 My finding that the Claimants were liable to the SLA for sums due under the LBC was not the end of the matter. Although the Claimants were directly liable to the SLA, it was open to the Claimants to argue (as they did) that the

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13 LSK's Affidavit at p 224.

14 LSK's Affidavit at p 237.



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Defendant was nonetheless liable *to the Claimants* in contract. I turn to this issue now.

**The Defendant was liable to the Claimants in contract**

29 Although the Claimants were liable to the SLA for payment of the LBC, this did not mean that the parties could not by contract vary their rights and obligations *inter se*. None of the parties argued that the Act prohibited this. Rather, the parties disagreed on whether the terms of the tenancy agreements obliged the Defendant to reimburse the Claimants for any sums incurred in relation to the payment of the LBC.

30 The Claimants relied primarily on clause 2(6)(j) of both tenancy agreements, wherein the Defendant covenanted:

> To procure from the URA its approval (Grant of Written Permission) for the Permitted Use of the Premises (hereinafter referred to as the 'URA Approval') and to deliver to the Landlord a copy of the URA Approval within 14 days from the Tenant's receipt of the URA Approval. The Tenant shall appoint its own Engineers and Contractors for purposes of obtaining the URA Approval. The costs and expenses for such appointment and in relation to the application of the URA Approval shall be borne solely by the Tenant.

31 The Claimants also relied on clause 2(15)(a) of both tenancy agreements, wherein the Defendant covenanted:[15]

> (15) Not to use the Premises or any part or parts thereof nor permit or suffer the same to be used:
>
> (a) otherwise than as a "Backpackers' Hostel" or for the permitted use as approved by the URA or such other use as may be permitted by law (subject to the Tenant complying with all governmental or statutory authorities' approvals and obtaining the necessary

[15] LSK's Affidavit at para 14.



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> licenses AND subject to the prior written consent of the Landlord).

32 The Claimants further relied on clause 2(6)(k) of the tenancy agreements, wherein the Defendant covenanted to procure and maintain a hotel licence throughout the duration of the tenancy agreements.[16]

33 In short, the Claimants argued that the URA had made payment of the LBC a precondition for renewal of permission to operate a backpackers' hostel from the Leased Units. Read with the Defendant's obligation to procure approval from the URA, this meant that payment of the LBC was part of the "costs and expenses" of the application for permission.[17]

34 The Defendant raised five arguments in support of its position that as a matter of contractual interpretation, it was not liable to the Claimants for payment of the LBC:

(a) first, that the LBC was not named or identified in the tenancy agreements;[18]

(b) second, that there had been no discussion between the parties on payment of the LBC;[19]

(c) third, the LBC was administered and collected by the SLA whereas clause 2(6)(j) did not concern payments to be made to the SLA (but only the URA).[20] Relatedly, the Defendant argued that the

16 LSK's Affidavit at para 16.

17 CWS at paras 24-26.

18 DWS at para 13.

19 DWS at para 15.

20 DWS at para 16.



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requirement that the Defendant bear the "costs and expenses" only referred to the appointment of engineers and contractors for obtaining the requisite approval from the URA, and the administrative costs *of the application*;[21]

(d) fourth, that payment of the LBC was not a cost associated with the application to the URA. This was because the LBC was under the purview of the SLA. The thrust of the Defendant's argument appeared to be that there was a distinction between the costs associated with the application to the URA, and the payment of the LBC. The Defendant argued that it was "only out of convenience that only 1 application needs to be made";[22] and

(e) fifth, that if there was any ambiguity in the interpretation of clause 2(6)(j) and clause 2(15)(a), the rule of *contra proferentem* meant that any ambiguity should be construed in the Defendant's favour, that it was not liable to the Claimants for payment for the LBC.[23]

35 The Defendant also argued that there was no room to imply a term that the Defendant was to bear the LBC.[24]

***Payment of the LBC was part of the "costs and expenses" of applying for approval even if not explicitly named***

36 The Claimants referred me to the principles of contractual interpretation as set out in *Zurich Insurance (Singapore) Pte Ltd v B-Gold Interior Design &*

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21 DWS at para 17.

22 DWS at para 18.

23 DWS at para 19.

24 DWS at para 20.



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*Construction Pte Ltd* [2008] 3 SLR(R) 1029 ("*Zurich Insurance*"). The Claimants also referred me to *Yap Son On v Ding Pei Zhen* [2017] 1 SLR 219 at [30]:

> … In gist, the purpose of interpretation is to give effect to the objectively ascertained expressed intentions of the contracting parties as it emerges from the contextual meaning of the relevant contractual language. Embedded within this statement are certain key principles: (a) first, in general both the text and context must be considered (at [2]); (b) second, it is the *objectively ascertained intentions of the parties* that is relevant, not their subjective intentions (at [33]); and (c) third, the object of interpretation is the verbal expressions used by the parties and so, *the text of their agreement is of first importance* (at [32]).
>
> [emphasis original]

37 The Claimants argued that the issue of whether payment of the LBC was part of the "costs and expenses… in relation to the... URA Approval" under clause 2(6)(j) had to be determined in the context of the Defendant's obligation to "procure" the renewal of permission to operate a backpackers' hostel from the Leased Units. The Claimants further argued that "costs and expenses" should be given a wide meaning to cover a condition precedent to the grant of approval (namely, payment of the LBC).[25]

38 I agreed with the Claimants. Although the LBC was not specifically identified in the tenancy agreements, this did not mean that the LBC could not be included in the "costs and expenses" associated with procuring approval from the URA. It was significant that the parties had chosen wide-ranging language for clause 2(6)(j), without any apparent limitation on the type or scope of costs or expenses that the Defendant would be responsible for. The Claimants referred me to *Black's Law Dictionary* (Bryan A Garner ed) (Thomson Reuters, 11th Ed,

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[25] CWS at paras 24-26.



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2019), where a "cost" was defined as the "amount paid or charged for something; price or expenditure" (at 436), and an "expense" was defined as an "expenditure of money, time, [labour] or resources to accomplish a result; esp., a business expenditure chargeable against revenue for a specific period" (at 723). I agreed with this definition. As a matter of ordinary language, a "cost" or "expense", without further limitation or proviso, would include a governmental levy, fee, or tax imposed as a precondition for the grant of approval. That being the case, there was no requirement for the LBC to have been specifically identified in the tenancy agreements. I noted that the date of commencement of the Act was 1 August 2022. The tenancy agreements were signed on 29 May 2023.[26] By then, the Act was in force and the LBC could have been imposed. The Defendant could not claim that the LBC was beyond the scope or contemplation of the tenancy agreements.

39 The same reasoning applied to the phrase "in relation to" in clause 2(6)(j) of the tenancy agreements. As a matter of ordinary language, this would indicate the presence of some connection between two factors. There was such a connection in the present case. The URA had asked in the August Letter that the Defendant resubmit its application for approval. The resubmission would not be accepted if payment of the LBC (if imposed) had not been made. The URA had thus made payment of the LBC a precondition for the grant of approval. This meant that payment of the LBC was a cost or expense "in relation to" the grant of approval from the URA.

40 The Defendant had argued that its responsibility under the tenancy agreements to bear the "costs and expenses… in relation to the… URA Approval" should be read in conjunction with the immediately preceding

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[26] LSK's Affidavit at p 127 and 145.



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sentence in clause 2(6)(j), which concerned the appointment of contractors and engineers that would be needed to obtain the requisite approval. To recapitulate, the third and last sentence of clause 2(6)(j) made the Defendant solely liable for "costs and expenses for such appointment and in relation to the application of the URA Approval". The Defendant argued that this meant it was only liable to pay for the cost of any engineers or contractors, and the administrative costs of applying for permission.

41 I was unable to agree with the Defendant's interpretation. Such a narrow interpretation was not borne out by the language of clause 2(6)(j). As set out above, it was open to the parties to delimit what was considered "costs or expenses", or what kind of connection was required. They did not do so.

***The Defendant's obligation was to "procure" approval***

42 The Claimants also pointed out that clause 2(6)(j) had to be read in the light of the Defendant's covenant to "procure" approval from the URA, and that the obligation to "procure" approval meant that the Defendant was obliged to fulfil any steps or conditions that the URA imposed. I agreed that this supported the Claimants' interpretation of clause 2(6)(j).

43 The meaning that a court seeks to impute to a contractual term must be one which the words are reasonably adequate to convey: *Zurich Insurance* at [122]. I did not think the Defendant could argue that merely submitting an application for approval satisfied its obligation to "procure" approval, particularly where the URA had then identified specific preconditions for granting such approval. The obligation to "procure" approval entailed some obligation to take steps to bring about the approval, including fulfilling any preconditions howsoever imposed. The Defendant could not claim to have



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fulfilled its obligation to "procure" the grant of approval when it refused to meet the preconditions imposed for obtaining the approval. This would have conflated an obligation to "procure" approval with an obligation to "apply for" approval. The Defendant's preferred interpretation would have been an unduly strained interpretation of what it would mean to "procure" approval.

***That the LBC was collected by the SLA was irrelevant***

44 I could not agree with the Defendant's submission that the LBC was not part of the "costs and expenses… in relation to the… URA Approval" on the supposed basis that the LBC was collected by the SLA, and not the URA. The Defendant had accepted that there was no separate paperwork or application for payment of the LBC. This was justified on the basis that this was "only out of convenience".[27] In other words, the Defendant was arguing that when clause 2(6)(j) made it liable for "costs and expenses… in relation to the… URA Approval", this really meant that it was liable only for "costs or expenses" that were *administered or collected by the URA*.

45 I rejected this submission. Such a limitation went against the plain language of clause 2(6)(j). As a matter of ordinary language, a cost or expense could well be "in relation to" the grant of approval by the URA, even if the cost or expense was not collected or administered by the URA. The URA had stated that if the LBC was not paid, no approval would be granted. This made payment of the LBC a cost or expense "in relation to" the grant of approval, in the sense that payment of the LBC was a precondition for the grant of approval. For completeness, I was not provided with any explanation or evidence that

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27 DWS at para 18.



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supported the Defendant's submission that the lack of separate documentation was "only out of convenience".

***Lack of explicit agreement was irrelevant***

46 The Defendant argued that there had been no agreement between itself and the Claimants that the Defendant would pay the LBC. This, according to the Defendant, explained why the language of the tenancy agreements did not support the interpretation that the Defendant was liable to pay the LBC.[28] The Defendant also took the position that there had always been an understanding that the Claimants would pay the LBC.[29]

47 As set out above, the language of the tenancy agreements did in fact make the Defendant liable to the Claimants for payment of the LBC. In any event, the purpose of contractual interpretation is to give effect to parties' objectively ascertained intentions. That the Defendant "always" had a particular subjective interpretation of what the tenancy agreements meant,[30] which did not appear to have been shared with or mentioned to the Claimants, or only surfaced after the present dispute arose, was not relevant.

48 The Claimants also raised the fact that the tenancy agreements contained an entire agreement clause.[31] This meant that the Defendant could not rely on extrinsic evidence of any agreement (or lack thereof) on which party should pay the LBC. I agreed with this submission. The entire agreement clause meant that the parties' relationship was defined by the tenancy agreements, and nothing

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28 DWS at para 15.

29 DWS at para 23.

30 DWS at para 24.

31 CWS at para 28; LSK's Affidavit at p 140.



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more: *Lee Chee Wei v Tan Hor Peow Victor* [2007] 3 SLR(R) 537 at [22]-[39]; *Wen Wen Food Trading Pte Ltd v Food Republic Pte Ltd* [2019] SGHC 60 ("*Wen Wen*") at [22]-[23]. The Defendant could not argue, in the face of an entire agreement clause, that there had in fact been some other understanding in regard to a particular obligation.

49 I further considered that, to the extent the Defendant wished to adduce extrinsic evidence of the parties' lack of agreement on the payment of the LBC, the evidence at hand was insufficient. The Defendant had, in its written submissions, taken the point that it had "confirmed in its affidavit that there was no agreement or discussion that the Defendant is to bear the [LBC]".[32] The relevant section in the Defendant's affidavit contained a bare assertion of this lack of agreement.[33] This could not ground a finding that the parties had not come to an agreement on who was to pay the LBC. Even if the evidence was sufficient, extrinsic evidence could only be used to explain or illuminate the written words, and not to vary or contradict them: *Zurich Insurance* at [132(f)]. I adopted the reasoning of Dedar Singh Gill JC (as he then was) in *Wen Wen* at [25]-[28]. The common law exception to the parol evidence rule did not apply. The reference to extrinsic evidence, if allowed, would contradict the express words of the tenancy agreements. This was not permissible. I also considered that none of the exceptions under s 94 of the Evidence Act 1893 (2020 Rev Ed) applied.

50 The Defendant also took the position that had it considered the matter, it would not have agreed to bear the cost of paying the LBC. This was because

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32 DWS at para 15.

33 PC's Affidavit at para 19.



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the LBC sum that the SLA imposed (*ie*, $352,530 over three years) was a significant sum, amounting to around 10 months' rent for the Leased Units.[34]

51 This point was included in the Defendant's written submissions to argue against the implication of a term obliging the Defendant to pay the LBC.[35] I return to this below. Nonetheless, I considered that even if the amount of the LBC payable was considered when determining the issue of interpretation, this would not assist the Defendant. The amount of LBC levied around 2024 could not be of assistance in interpreting parties' tenancy agreements when they had been signed in 2023. In essence, the Defendant seemed to be arguing that it would not have agreed to pay such a large sum, and therefore the tenancy agreements should be construed to release the Defendant from such an obligation. As I have explained above, this could not be accepted. The tenancy agreements, objectively assessed, made the Defendant liable to pay the LBC. The parties could have chosen to apportion or limit their obligations. They did not do so. The existence of a subjective belief of what a party might have done in retrospect did not alter this.

***The principle of contra proferentem did not apply***

52 The Defendant argued that to the extent that the Claimants were arguing that the language of clause 2(6)(j) and clause 2(15)(a) was ambiguous, this ambiguity should be construed in favour of the Defendant.[36] The basis for this argument was the principle of *contra proferentem*. I did not think that the principle applied here. The principle of *contra proferentem* would apply where the meaning of a clause remained ambiguous after the normal principles of

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34 PC's Affidavit at para 20; LSK's Affidavit at p 222.

35 DWS at para 20.

36 DWS at para 19.



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contractual interpretation were applied: *LTT Global Consultants v BMC Academy Pte Ltd* [2011] 3 SLR 903 at [56]; *NRAM plc v McAdam* [2016] 3 All ER 665 at [49].

53 Having applied the principles of contractual interpretation as set out above, I was of the view that the tenancy agreements made the Defendant liable to the Claimants for payment of the LBC. There was no ambiguity, and therefore there was no need to apply the principle of *contra proferentem*.

***There was no need to imply a term***

54 The Defendant also argued that a term could not be implied into the tenancy agreements to make it liable to the Claimants to pay the LBC. The Defendant's argument, among other things, was that the high amount of LBC imposed by the SLA meant that it would make no commercial sense for the Defendant to agree to such a term. This meant that such an implied term did not meet the officious bystander or business efficacy requirements, as discussed in *Sembcorp Marine Ltd v PPL Holdings Pte Ltd* [2013] 4 SLR 193.[37]

55 I had my reservations on whether the amount of LBC imposed by the SLA in 2024 would have a bearing on whether to imply a term into a contract entered into in 2023. In any case, this issue did not arise. The Claimants' written submissions did not contain any reference to the implication of a contractual term. The construction of the tenancy agreements was to the effect that the Defendant was liable to the Claimants for any LBC sums levied or paid. The question of whether to imply a term therefore fell away.

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[37] DWS at para 20.



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**The Claimants' claim for damages**

56 The Defendant was liable to the Claimants under the tenancy agreements to pay the LBC. That the Claimants had paid on the Defendant's behalf did not alter this position. It followed that the Claimants were entitled to reimbursement of the sums paid to the SLA. I ordered that the Defendant pay $43,285 to JWT, and $79,616 to LLT.

57 The tenancy agreements provided that sums due to the Claimants were subject to an interest rate of 15% *per annum*.[38] I ordered that the contractual interest rate would apply.

**The Claimants' claim for a declaration**

58 The Claimants had sought a declaration, that on a true and proper interpretation of the tenancy agreements, the Defendant was liable to pay the LBC. I declined to grant such a declaration.

59 The principles for the grant of a declaration were set out in *Karaha Bodas Co LLC v Pertamina Energy Trading Ltd* [2006] 1 SLR(R) 112 at [14]:

(a) the court must have the jurisdiction and power to award the remedy;

(b) the matter must be justiciable in the court;

(c) as a declaration is a discretionary remedy, it must be justified by the circumstances of the case;

[38] LSK's Affidavit at p 135.



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(d) the plaintiff must have *locus standi* to bring the suit and there must be a real controversy for the court to resolve;

(e) any person whose interests might be affected by the declaration should be before the court; and

(f) there must be some ambiguity or uncertainty about the issue in respect of which the declaration is asked for so that the court's determination would have the effect of laying such doubts to rest.

60 I considered that the declaration was not justified by the circumstances of the case, and in the light of my decision as stated above. As between the government and the parties, the Claimants were liable to pay the LBC to the SLA. As between parties, the Defendant was liable for any such payments, pursuant to the tenancy agreements. The Claimants could look to the Defendant to recover sums that they had paid to the SLA. This was sufficient to resolve the dispute between the parties. There was no need to grant the declaration sought.

61 It followed from the above that I rejected the Defendant's counterclaim for a declaration that the Claimants were liable to pay the LBC, and for an order that the Claimant pay the LBC sum sufficient for the grant of permission for a three-year term.

**Conclusion**

62 The Act made the Claimants liable to the SLA for payment of the LBC. The parties had, by contract, varied their rights *inter se*. Although the Claimants were liable to the SLA, the Defendant was in turn liable by contract *to the Claimants* for payment of the LBC. Where the Claimants made payment to the SLA directly, which was what had happened here, the Defendant would have to



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reimburse the Claimants. The Defendant did not reimburse the Claimants. I therefore allowed the Claimants' claim for damages. I ordered that the Defendant pay $43,285 to JWT, and $79,616 to LLT. I ordered that the contractual interest at the rate of 15% *per annum* would apply. I also ordered that the Defendant pay to the Claimants costs of $14,000 all-in.

Chan Seng Onn
Senior Judge

Tan Teng Muan and Loh Li Qin (UniLegal LLC) for the Claimants;
Jensen Aw and Orr Young Min (Donaldson & Burkinshaw LLP) for the Defendant



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